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WEST GERMANY
Apr. 4, 1958

It is unbearable that Brentano, in his speeches, gives the impression as if the Federal Republic identifies itself with the half-fascist Portuguese regime. To speak of joint tasks of the Western democracies in this case is in poor taste.

ERHARD REPORTS ON HIS AMERICAN TRIP

Hamburg, DPA, in German to Authorized Recipients, Apr. 3, 1958,
1248 GMT--G w-5

(Summary) Frankfurt - Economics Minister Erhard, in a statement made in Frankfurt after his return from the United States, expressed the view that the American recession will not affect the Federal Republic. Optimism is going to return in the United States, although most conversations are still widely devoted to the recession. The minister told the Americans that recession should be fought by public work orders rather than tax reductions. According to Erhard, the recession started in the automobile industry which has for some time been faced with a certain sales resistance. However, the main reason is psychological pessimism, caused by the sputniks and the general political situation. All measures against a recession should first aim at preventing inflation.

Erhard warned that the American labor unions and corporations insist on high wages and profits, respectively, a problem which has also emerged in West Germany. During his stay in the United States, Erhard met trade union personalities who bluntly rejected the intention of the West German unions to consider a political strike. In general, the American unions have an approach to the state which is quite different from that of the German unions. The minister stated that the latest proposals of the Washington administration for the return of German prewar assets are not the last word.

As regards aid to underdeveloped countries, Erhard did not leave any doubt in Washington that the Deutsche Bundesbank cannot finance loans from government to government. However, the Federal Treasury will assume guarantees for exports to such countries. Moreover, Bonn and Washington should develop a specific strategy as regards aid to underdeveloped countries.

The minister expressed his satisfaction that he succeeded in eliminating almost all American doubts concerning the European economic community and free trade zone. American firms have now begun to study the possibilities of financial investments in Europe.

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STRAUSS TO ROME--The Federal Defense Ministry stated on Apr. 3 that Minister Strauss will meet his French and Italian colleagues, Chaban-Delmas and Taviani, on Apr. 5 in Rome for routine discussions within the framework of the French-German-Italian armament agreement. The subjects of discussion will be the work of the military commissions as well as questions of cooperation with Great Britain. (Hamburg, DPA, Apr. 3, 1958, 1500 GMT--G)

ATOMIC CONTAMINATION--On Apr. 2, the first secretary of the Soviet embassy in Bonn, A.J. Martincov, submitted on behalf of the Soviet Government an oral message to the German physician Dr. Siegmund Schmidt of Voerden, Kreis Bersenbrueck, who has become known for his warnings against the further contamination of the atmosphere by atomic tests. In letters to numerous governments in East and West, Schmidt had warned of the dangers caused to human health as a result of the experiments. Martincov told the physician that his letter had been studied with interest by the Soviet Government and that the Soviet Union has already undertaken numerous steps to discontinue the armaments race and to bring about a relaxation of world tension. Its latest decision to refrain from further nuclear tests is a practical answer to the worries of mankind. (Hamburg, DPA, Apr. 2, 1958, 2209 GMT--G)

NEW WAGE AGREEMENT--A new wage agreement has been established for the employees of the Bavarian retail trade. Effective Apr. 1, their wages will be increased by 7 to 6.9 percent, and the working hours will be reduced to 45 as of June 1. (Hamburg, DPA, Apr. 3, 1958, 1126 GMT--G)

INTERZONAL TRAFFIC--Interzonal traffic via the border stations of Helmstedt and Wolfsburg decreased drastically in March, compared with the same month in the previous year. Only 49,082 passengers passed through Wolfsburg, compared with 110,303 during March 1957. In March 1958, the border at Helmstedt was passed by 288,776 persons, compared with 394,746 in 1957. This decrease is due to tighter passport regulations. On the other hand, the number of resettlers increased from 89 in March 1957 to 380 in March 1958. (Hamburg, DPA, Apr. 3, 1958, 1434 GMT--G)

RESETTLERS ARRIVE--Among the 609 resettlers from the Polish-administered East German territories who arrived on Apr. 3 at the Schleswig-Holstein border station of Buechen were nine families from Marienburg. They reported that neither the destroyed parts of the Marienburg nor the damaged houses of the city have been rebuilt. (Hamburg, DPA, Apr. 3, 1958, 1126 GMT--G)

STUDENT EXCHANGES--The press service of the VDS stated on Apr. 3 that three students from the Federal Republic will work in Polish state-owned plants in Breslau during their summer vacations. At the same time, 10 Polish students will work in plants of various European countries. (Hamburg, DPA, Apr. 3, 1958, 1126 GMT--G)